



CONTRACT & LEASE DISCLOSURE FOR LEASE RETURNS

For All Nissan Dealers

Publish Date: August 9, 2022

Lease returns **cannot be shown as a positive-equity trade-in** on a new retail contract or lease agreement.*

If the title has not been transferred to the returning lease customer, the customer has no ownership interest in the vehicle. **Thus, the vehicle cannot be disclosed as a positive equity trade-in on a new contract you are preparing for the customer.**

Any consideration you are allowing the lease customer in this transaction must be shown as a **non-cash equivalent** on the retail contract or lease worksheet. NMAC will not accept contracts that include positive equity disclosed as a trade-in. **Dealers should consult their own tax advisor regarding possible tax implications in their state.**

Since the lease customer is not purchasing their vehicle, you can purchase it through RPM at gross payoff price. The customer cannot be billed for any end of term charges (remaining payments, mileage, excess wear and use, disposition fee, misc. fees) if you are purchasing it at gross payoff. If neither you nor the customer are purchasing the vehicle, it will be transported to auction by NMAC and the customer will receive an End of Term Liability Statement. Please see bulletin 22-1-2022v2 for NMAC Customer End of Lease Options.

***Exception for Maryland:** State law in Maryland allows the dealer to utilize the vehicle as a lease turn-in and disclose it as a trade-in on the contract or lease agreement when the returned lease vehicle is being purchased concurrently.

If you have any questions, please contact your Financial Services Manager.

Legal and Tax Disclaimer

The information in this bulletin is provided for informational purposes only and is not intended to be relied upon as legal or tax advice. All dealers are expected to obtain independent guidance regarding their business operations from their own legal counsel or tax advisor.